

April 28, 1975

should not be liable, if there is liability. That should be placed at the proper place.

PRESIDENT: Senator Duis.

SENATOR DUIS: Mr. President, as far as the introducer of the bill, I have no objection to the amendment except that I don't believe that the body understands. I sincerely hope that Senator DeCamp understands that the legislative bill, at its present time, does not affect stockholders. All its effects are on policyholders.

SENATOR DeCAMP: That is all I am after.

SENATOR DUIS: And I am in hopes that Pioneer's stock... that is, policyholders, should they have a loss, might be taken care of but, of course, if this is Senator DeCamp's wishes, I wouldn't object to the amendment.

SENATOR DeCAMP: Well, I have another amendment. Actually, I have two amendments. One is to...one is to make these other insurance companies not liable. The other is to make the state of Nebraska liable, if the State Department of Insurance is found guilty of misfeasance.

PRESIDENT: Any further discussion of the motion to return? The question is, shall 217 be returned to Select File for specific amendment? Record your vote. Have you voted? Please vote. Record.

CLERK: 25 ayes, 0 nays on motion to return.

PRESIDENT: The bill is returned.

SENATOR DeCAMP: Mr. President, I have two amendments. The first one that it was brought back for has to do, as I say, specifically with a particular insurance company, Pioneer Insurance Company, and the purpose of the amendment is to make it so that other insurance companies are not liable to the policyholders, if there is a loss to them as a result of activities that have been carried on. I have another amendment which will make the state of Nebraska liable, if the State Insurance Department has been determined to be guilty of misfeasance in the handling of Pioneer Insurance. Now for me to go into a discussion on Pioneer Insurance Company at this time would probably take the rest of the morning. So I will summarize by saying briefly this. The State Insurance Department, some time ago, took over the, more specifically, Mr. Jackson of the State Insurance Department, took over complete administration and handling of Pioneer Insurance. At that time or shortly thereafter, Senator Schmit and myself, after receiving complaints from policyholders and various people who were concerned about certain activities going on at Pioneer Insurance, asked us to look into it. We did look into it. We found what we felt were to be grave and serious improprieties or errors going on and we suggested this to the Governor and to the Insurance Department and to others. The basic thing or the main thing that we suggested was that investments in a project called Lake California were bad investments and involved probably fraud and other things. At that time, we were assured by Mr. Jackson that those